LIBRARY
SUPREME COURT, U. S.

No. 1439

Supreme Court, U.S.
FILED
MAR 5 1971
E. ROBERT SEAVER, CLERK

In the

Supreme Court of the United States

OCTOBER TERM, 1970

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

SIDNEY NEUMAN
ROBERT L. AUSTIN
CHARLES A. LAFF
HARRY J. ROPER
77 West Washington Street
Chicago, Illinois 60602
Attorneys for Ethicon, Inc.,
Petitioner

The Scheffer Press, Inc.—ANdover 3-6850

INDEX

PAGE

OPINIONS BELOW 1

JURISDICTION 2

QUESTION PRESENTED 2

STATUTE INVOLVED 2

STATEMENT OF THE CASE 2

REASONS FOR GRANTING THE WRIT 4

1. This Court's Strict Rule 5

2. The Courts of Appeal Have Followed This Court's Rule 7

3. The Erosion of This Court's Rule in the Ninth Circuit 9

4. The Need for Uniformity in the Courts 11

CONCLUSION 12

APPENDIX A 13

APPENDIX B 14, 15

APPENDIX C 16

CITATIONS

CASES:

Amerio Contact Plate Freezers, Inc. v. Belt-Ice Corporation, 316 F.2d 459 (9 Cir. 1963) 10

Andrews v. Hovey, 123 U.S. 267 (1887), *on rehearing* 124 U.S. 694 (1888) 5

Atlas v. Eastern Airlines, Incorporated, 311 F. 2d 156 (1 Cir. 1962) 7

PAGE

The Barbed Wire Patent, 143 U.S. 275 (1892) .. 4, 6

Baumgartner v. United States, 322 U.S. 665 (1944) 5

Block v. Nathan Anklet Support Co., 9 F.2d 311 (2 Cir. 1925) 7, 8

Canadian Ingersoll-Rand Co. v. Peterson Prod. of San Mateo, 223 F. Supp. 803 (N.D. Cal. 1963), *aff'd* 350 F.2d 18 (9 Cir. 1965) 10

Cherry-Burrell Corporation v. Dairy & Creamery E. Co., 75 F.2d 60 (8 Cir. 1934) 8

Coffin v. Ogden, 85 U.S. (18 Wall.) 120 (1874) 6

Colorado Coal Co. v. United States, 123 U.S. 307 (1887) 5

Deering v. Winona Harvester Works, 155 U.S. 286 (1894) 6

Devex Corporation v. General Motors Corporation, 321 F.2d 234 (7 Cir. 1963) 7

FMC Corporation v. F. E. Myers & Bro. Co., 384 F.2d 4 (6 Cir. 1967) 7

Gillman v. Stern, 114 F.2d 28 (2 Cir. 1940) 7

Graham v. John Deere Co., 383 U.S. 1 (1966) 5

Hoeltke v. C. M. Kemp Mfg. Co., 80 F.2d 912 (4 Cir. 1935) 7

Ibis Enterprises, Limited v. Spray-Bilt, Inc., 220 F. Supp. 65 (S.D. Fla. 1963), *reversed on other grounds* 350 F.2d 99 (5 Cir. 1965) 10

Jones Knitting Corporation v. Morgan, 361 F. 2d 451 (3 Cir. 1966) 7, 8, 12

Kiva Corporation v. Baker Oil Tools, Inc., 412 F.2d 546 (5 Cir. 1969) 7

PAGE

McCullough Tool Company v. Well Surveys, Inc., 343 F.2d 381 (10 Cir. 1965) 8

Metal Arts Company v. Fuller Company, 389 F. 2d 319 (5 Cir. 1968) 7

Minnesota Mining & Mfg. Co. v. Kent Industries, Inc., 409 F.2d 99 (6 Cir. 1969) 7

Paraffine Companies v. McEverlast, Inc., 84 F. 2d 335 (9 Cir. 1936) 9

Penna. R. Co. v. Chamberlain, 288 U.S. 333 (1933) 11

Radio Corp. v. Radio Laboratories, 293 U.S. 1 (1934) 6

Rown v. Brake Testing Equipment Corporation, 38 F.2d 220 (9 Cir. 1930) 9

Schneiderman v. United States, 320 U.S. 118 (1943) 5

Tucker Aluminum Products, Inc. v. Grossman, 312 F.2d 293 (9 Cir. 1963) 9

United Kingdom Optical Co. v. American Optical Co., 68 F.2d 637 (1 Cir. 1934) 7

United States v. Bell Telephone Company, 167 U.S. 224 (1897) 5

Van Dusen v. Barrack, 376 U.S. 612 (1964) 12

Woodby v. Immigration Service, 385 U.S. 276 (1966) 4, 5

Zachos v. Sherwin-Williams Co., 177 F.2d 762 (5 Cir. 1949) 7, 8

STATUTES:

28 U.S.C. § 1254(1) 2

28 U.S.C. § 1404(a) 2, 11

35 U.S.C.A. (Repealed) § 31 6

PAGE

35 U.S.C. § 102(b) 2, 3, 4, 5

35 U.S.C. § 281 ..... 2, 11

35 U.S.C. § 282(2) 2

MISCELLANEOUS:

Act of March 3, 1839, § 7, 5 Stat. 353, 354 6

9 Wigmore § 2498 (3d Ed. 1940) 5

60 Harv. L. Rev. 111 (1946) 4

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1970

No.

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

To the Honorable Chief Justice and Associate Justices of the Supreme Court of the United States:

Ethicon, Inc., petitions for a writ of certiorari to review the judgment of the United States Court of Appeals for the Ninth Circuit entered on August 26, 1970.

OPINIONS BELOW

The opinion of the Court of Appeals (App. A, *infra*, p. 13) is officially reported at 432 F.2d 438, and unofficially reported at 167 U.S.P.Q. 16. The oral opinion of the District Court (App. B, *infra*, pp. 14-15) is not reported.

JURISDICTION

The judgment of the Court of Appeals was entered on August 26, 1970. The Court of Appeals order denying rehearing was entered on January 5, 1971. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(1).

QUESTION PRESENTED

This Court has ruled that the burden of proving a "public use" defense in a patent case requires evidence that is "clear, satisfactory and beyond a reasonable doubt." The rule is accepted in all of the circuits, except the Ninth. The question presented is whether the Ninth Circuit shall be entitled to abrogate the strict burden and substitute its own unique rule requiring only evidence which is admittedly equivocal—evidence upon which this case "could have been decided either way."

STATUTE INVOLVED

The relevant provisions of the Patent Code (35 U.S.C. §§ 102(b), 281 and 282(2)) are set forth in App. C, *infra*, p. 16.

STATEMENT OF THE CASE

This was a civil action for infringement of Ethicon's patent in a federal district court under 35 U.S.C. § 281. The patent is Gerard U. S. patent No. 3,028,576, issued April 3, 1962, on a method and machine for making plastic gloves which are used for medical purposes.

Ethicon initiated the infringement action in the District Court for the District of Delaware. On defendant's motion the case was transferred under 28 U.S.C. § 1404(a) to the District Court for the Northern District of California.

The case was tried on the single separated issue of whether Gerard's invention was in "public use" (35 U.S.C. § 102(b)) more than one year prior to its filing date. Specifically, the defendant, Handgards, contended that Lyle Shabram had used the invention in November 1956, more than one year prior to Gerard's filing in May 1958. The only evidence of the alleged November 1956 use was oral testimony, uncorroborated by any documentary records. As the District Court said, the "prime source" of testimony of this issue "is to be found in Mr. Shabram's testimony." The trial court found for Handgards in a short oral opinion, entered findings prepared by defendant's counsel, and Ethicon appealed.

Ethicon contended on appeal that, despite the trial court's conclusory findings, Handgards' public use case, based as it was solely on inconsistent oral testimony did not, as a matter of law, satisfy the requisite burden of proof. The rule established by this Court in *The Barbed Wire Patent,* requires that the evidence must be "clear, satisfactory and beyond a reasonable doubt" (143 U.S. at p. 284).

Rather than review this question of law, however, the Ninth Circuit Court of Appeals simply affirmed in a short *per curiam* opinion, stating (432 F.2d 438):

> "In our view, we have a case that could have been decided either way."

Ethicon filed a petition for rehearing, pointing out that by requiring no more than a case which could have gone either way the Court of Appeals had completely overlooked this Court's rule as to the requisite burden of proof. The petition for rehearing was denied on January 5, 1971.

As discussed in the following Reasons, the test which the Ninth Circuit applied here is at odds not only with this Court's rule in *The Barbed Wire Patent,* but also with the decisions of the Courts of Appeal in the other circuits.

REASONS FOR GRANTING THE WRIT

The present petition presents an obvious and sharp conflict between the Ninth Circuit Court of Appeals and the other circuits on a rule of law which goes to the foundation of adversary proceedings in patent cases, namely, the burden of proving a prior public use under 35 U.S.C. § 102(b) which will invalidate an issued patent. This Court should resolve the conflict in the interest of continued stability in the judicial administration of our patent system.

The "public use" defense has always belonged to the category of civil cases requiring proofs going beyond a mere preponderance of the evidence. The law's experiences with cases which are inherently subject to fabrication, lapse of memory, or the flexibility of conscience*—the same experiences which support the parol evidence rule and the Statute of Frauds—have given rise to the requirement that proofs in certain situations must be "clear and convincing" and sometimes, by analogy to the criminal rule, "beyond any reasonable doubt." The strict standard, as this Court noted in *Woodby* v. *Immigration Service,* 385 U.S. 276, 285 (1966), "is no stranger to the civil law," and is applied in a wide spec-

---

* See note, APPELLATE REVIEW IN THE FEDERAL COURTS OF FINDINGS REQUIRING MORE THAN A PREPONDERANCE OF THE EVIDENCE, 60 Harv. L.Rev. 111 (1946).

trum of civil litigation (See *Woodby* v. *Immigration Service, supra,* p. 285, n. 18, citing 9 Wigmore § 2498 (3d Ed. 1940)). In the federal area, this Court has demanded the highest standards of proof in cases involving citizenship, deportation, land grants, cancellation of a patent for fraud*, and, as we shall now discuss, the public use defense in patent infringement litigation.

1. This Court's Strict Rule.

The public use defense (35 U.S.C. § 102(b)) has nothing to do with the merits of the patented invention or with the standards considered by this Court in *Graham* v. *John Deere Co.,* 383 U.S. 1 (1966). A patent on a revolutionary advance is just as vulnerable as a patent which should never have been issued. The proponent of the prior use defense has only to show that the invention was used by someone more than one year prior to the application for the patent. Originally, the defense was limited to proving a use by the patentee or use with "his consent or allowance," but in 1839 the Act was changed to bar a patent where anyone used the invention prior to the grace period (See *Andrews* v. *Hovey,* 123 U.S. 267 (1887); *on rehearing* 124 U.S. 694 (1888)). Under the present Act, therefore, the alleged infringer can defend by showing his own or any-

---

* Citizenship (Naturalization): *Schneiderman* v. *United States,* 320 U.S. 118, 125, 158 (1943), and *Baumgartner* v. *United States,* 322 U.S. 665 (1944); Deportation: *Woodby* v. *Immigration Service,* 385 U.S. 276 (1966); Land Grants: *Colorado Coal Co.* v. *United States,* 123 U.S. 307 (1887); Cancellation of Patent: *United States* v. *Bell Telephone Company,* 167 U.S. 224, 262 (1897).

one else's prior use more than a year before the patentee's filing date.*

Ever since this Court's decision in *The Barbed Wire Patent,* 143 U.S. 275 (1892), the Courts have required as a matter of law that the proofs of the prior use be "clear, satisfactory and beyond a reasonable doubt." In *The Barbed Wire Patent,* this Court said at p. 284:

> "We have now to deal with certain unpatented devices, claimed to be complete anticipations of this patent, the existence and use of which are proven only by oral testimony. In view of the unsatisfactory character of such testimony, arising from the forgetfulness of witnesses, their liability to mistakes, their proneness to recollect things as the party calling them would have them recollect them, aside from the temptation to actual perjury, courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory and beyond a reasonable doubt."

See also *Radio Corp.* v. *Radio Laboratories,* 293 U.S. 1 (1934); *Deering* v. *Winona Harvester Works,* 155 U.S. 286 (1894); and *Coffin* v. *Ogden,* 85 U.S. (18 Wall.) 120 (1874).

While the precise language used in formulating the test has varied, the test itself has remained the same. As Justice Cardozo said in *Radio Corp.* v. *Radio Laboratories,* 293 U.S. 1 (1934), at page 8:

> "Through all the verbal variances, however, there runs this common core of thought and truth, that

---

* Prior to 1939, the grace period was two years. (Act of March 3, 1839, § 7, 5 Stat. 353, 354). On August 5, 1939, the period was changed to one year (35 U.S.C.A. (Repealed) § 31).

one otherwise an infringer . . . bears a heavy burden of persuasion, and fails unless his evidence has more than a dubious preponderance."

2. The Courts of Appeal Have Followed This Court's Rule.

With the singular exception of the Ninth Circuit's present defection, the rule of *The Barbed Wire Patent* has been followed in all the Circuit Courts of Appeal where the question has arisen,* the Third Circuit de-

---

* First Circuit —*United Kingdom Optical Co.* v. *American Optical Co.*, 68 F.2d 637 (1 Cir. 1934); and *Atlas* v. *Eastern Airlines, Incorporated*, 311 F.2d 156 (1 Cir. 1962).

Second Circuit —*Block* v. *Nathan Anklet Support Co.*, 9 F.2d 311, 313 (2 Cir. 1925); and *Gillman* v. *Stern*, 114 F.2d 28, 30 (2 Cir. 1940).

Third Circuit —*Jones Knitting Corporation* v. *Morgan*, 361 F.2d 451 (3 Cir. 1966).

Fourth Circuit —*Hoeltke* v. *C. M. Kemp Mfg. Co.*, 80 F.2d 912 (4 Cir. 1935).

Fifth Circuit —*Zachos* v. *Sherwin-Williams Co.*, 177 F.2d 762 (5 Cir. 1949); *Metal Arts Company* v. *Fuller Company*, 389 F.2d 319 (5 Cir. 1968); and *Kiva Corporation* v. *Baker Oil Tools, Inc.*, 412 F.2d 546 (5 Cir. 1969).

Sixth Circuit —*FMC Corporation* v. *F. E. Myers & Bro. Co.*, 384 F.2d 4 (6 Cir. 1967); and *Minnesota Mining & Mfg. Co.* v. *Kent Industries, Inc.*, 409 F.2d 99 (6 Cir. 1969).

Seventh Circuit —*Devex Corporation* v. *General Motors Corporation*, 321 F.2d 234 (7 Cir. 1963).

cision in *Jones Knitting Corporation* v. *Morgan*, 361 F.2d 451 (3 Cir. 1966), being the most recent Court of Appeals reversal where the proofs didn't measure up to the strict requirements.

The spirit in which most courts have accepted this Court's rule is illustrated by Judge Learned Hand's opinion in *Block* v. *Nathan Anklet Support Co.*, 9 F.2d 311, 313 (2 Cir. 1925):

> "The proof must be as absolute as in a criminal conviction; indeed, the rule comes nearly to this, that one must have contemporaneous records, verbal or structural."

And in *Zachos* v. *Sherwin-Williams Co.*, 177 F.2d 762 (5 Cir. 1949), the Court said, at p. 763:

> "This rule is that prior use must be proved beyond a reasonable doubt, and that as a practical matter, it may be said that oral testimony alone, unsupported by writings, has not been, and will not be accepted as sufficient.
>
> "[W]e believe that the reasons for the rule so well stated by Mr. Justice Brown in the Barbed Wire and Deering cases and approved and relied on in cases following are still potent and compelling. Indeed, with the modern tendencies toward easy swearing, they are even more so."

---

* (Continued)

Eighth Circuit —*Cherry-Burrell Corporation* v. *Dairy & Creamery E. Co.*, 75 F.2d 60, 62 (8 Cir. 1934).

Tenth Circuit —*McCullough Tool Company* v. *Well Surveys, Inc.*, 343 F.2d 381 (10 Cir. 1965).

3. The Erosion of This Court's Rule in the Ninth Circuit.

At the opposite extreme to the rigorous test of these authorities stands the Ninth Circuit's decision here. It is enough, the Court says, if the defendant presents:

> "[A] case that could have been decided either way."

This new test, which apparently requires an even lesser standard than an ordinary "preponderance of the evidence" usually applied in civil cases, is the residue of the Ninth Circuit's gradual erosion of the burden of proof in public use cases.

At one time, the Ninth Circuit recognized this Court's rule. See *Rown* v. *Brake Testing Equipment Corporation,* 38 F.2d 220, 223 (9 Cir. 1930), and *Paraffine Companies* v. *McEverlast, Inc.,* 84 F.2d 335 (9 Cir. 1936). Thus, in *Paraffine,* the Court said, at p. 339:

> "The burden of proof on the issue of prior public use rests heavily upon the party seeking to show such use. Of such a defense the Supreme Court has said: 'Courts have not only imposed upon defendants the burden of proving such devices, but have required that the proof shall be clear, satisfactory, and beyond a reasonable doubt.' Washburn, etc., Co. v. Beat 'Em All Barbed Wire Co., 143 U.S. 275, 284, 12 S.Ct. 443, 447, 36 L.Ed. 154."

However, in a later case, *Tucker Aluminum Products, Inc.* v. *Grossman,* 312 F.2d 293 (9 Cir. 1963), the Court reversed the District Court's finding that the defendant's proofs were inadequate, stating at p. 294:

> "[I]t is important to observe that in this Circuit there is some confusion as to the burden of proof imposed upon a defendant who raises the defense of prior 'public use.' [Citing cases.] We think the

> burden is successfully borne where there exists 'substantial evidence,' which is 'clear and satisfactory' although a defendant need not prove this defense 'beyond a reasonable doubt.'"

See also *Amerio Contact Plate Freezers, Inc.* v. *Belt-Ice Corporation,* 316 F.2d 459, 462, n. 7 (9 Cir. 1963).

The substantive change introduced by *Tucker* is illustrated by two District Court decisions that same year, one in the Southern District of Florida, the other in the Northern District of California (*Ibis Enterprises, Limited* v. *Spray-Bilt, Inc.,* 220 F.Supp. 65, 75 (S.D. Fla. 1963), *reversed on other grounds* 350 F.2d 99 (5 Cir. 1965); and *Canadian Ingersoll-Rand Co.* v. *Peterson Prod. of San Mateo,* 223 F.Supp. 803 (N.D. Cal. 1963), *aff'd* 350 F.2d 18 (9 Cir. 1965)).

The same patent was involved in both cases and in both it was attacked on the grounds of prior public use. The Florida District Court held the proofs inadequate because they did not meet the test of "beyond a reasonable doubt" (220 F.Supp. at p. 75). The California court, on the other hand, held that the same proofs were adequate in the Ninth Circuit, but expressly recognized that its decision was in conflict with the Fifth Circuit rule stating (223 F. Supp. at p. 816):

> "The Court does not feel that this evidence should be rejected as insufficiently substantial, clear and convincing. . . .
>
> "We concede that this Bradley prior use evidence might be rejected if subjected to the exacting, almost prohibitive 'beyond a reasonable doubt' test used in the related case of Ibis Enterprises, Limited v. Spray-Bilt, Inc., So. Dist. Fla., 1963, 220 F.Supp. 65, p. 75."

This departure from the strict rule of *The Barbed Wire Patent,* while clearly more than a matter of semantics as the *Canadian* case indicated, is minor compared with the virtual eradication of the rule in the present case. Furthermore, the Court's decision requiring of a defendant no more than "a case that could have been decided either way," not only abrogates the infringer's burden of proving a prior public use by clear and convincing evidence, but actually creates a new burden on a patentee of proving that there was no public use.*

The Ninth Circuit Court of Appeals decision, therefore, is a marked polarization away from the strict rule formulated by this Court and followed in the other circuits.

4. The Need for Uniformity in the Courts.

The special nature of patents in a modern economy demands that the patent monopoly have equal force and effect throughout the United States. To permit the monopoly in some circuits and abolish it in others because of a different set of standards is an intolerable discrimination between competitors in the various jurisdictions.

The seriousness of the Ninth Circuit's action here is heightened when considered in the context of the transfer of this case under 28 U.S.C. § 1404(a) from the Dis-

---

* It must be concluded that the Court waived defendant's statutory burden of establishing the invalidity of the patent (35 U.S.C. § 281) and imposed some sort of burden upon the patentee because in a case which can go either way, the decision goes against the party having the burden (*Penna. R. Co.* v. *Chamberlain,* 288 U.S. 333, 339 (1933)).

trict of Delaware to the Northern District of California. The law in the Delaware Court is the strict standard of *The Barbed Wire Patent* recently restated in *Jones Knitting Corporation* v. *Morgan,* 361 F.2d 451 (3 Cir. 1966), where the Court of Appeals reversed the lower court's decision because the evidence was insufficient under the strict rule. If this case, therefore, had not been transferred, the defendant's evidence would have been subjected to the test of "beyond a reasonable doubt" in the Delaware Court. The change in forum should not have changed the standards applicable to such evidence. As this Court said in *Van Dusen* v. *Barrack,* 376 U.S. 612 (1964), at pp. 635 and 636:

> "The legislative history of § 1404(a) certainly does not justify the rather startling conclusion that one might 'get a change of law as a bonus for a change of venue.' Indeed, an interpretation accepting such a rule would go far to frustrate the remedial purposes of § 1404(a). If a change of law were in the offing, the parties might well regard the section primarily as a forum-shopping instrument."

CONCLUSION

This Court should resolve the conflict by considering the case on certiorari.

Respectfully submitted,

SIDNEY NEUMAN
ROBERT L. AUSTIN
CHARLES A. LAFF
HARRY J. ROPER
Attorneys for Ethicon, Inc.

APPENDIX A

ETHICON, INC., Appellant,

v.

HANDGARDS, INC.,et al., Appellees.

No. 22985.

United States Court of Appeals,
Ninth Circuit.

Aug. 26, 1970.

PER CURIAM:

Ethicon's Gerard patent No. 3,028,576 was held invalid because the trial court found that under 35 U.S.C. § 102(b) there was prior public use for more than one year of the concept of the machine, the subject of the patent.

There is litle or no direct contradiction in the oral evidence. In our view, we have a case that could have been decided either way. Ethicon contends the testimony of Handgards' principal was too weak and impaired by certain circumstances. But the trial court was entitled to give more weight to other circumstances which point to Handgards' version being correct.

The decree is affirmed because the findings are not clearly erroneous.

APPENDIX B

UNITED STATES DISTRICT COURT
Northern District of California

Before: Hon. Lloyd H. Burke, Judge

ETHICON, INC., a corporation,
Plaintiff,
vs.
HANDGARDS, INC., a corporation,
T. HAMIL REIDY, an individual,
Defendants.
No. 41846

ETHICON, INC., a corporation,
Plaintiff,
vs.
PLASTICSMITH, INC., a corporation,
et al.,
Defendants.
No. 41935

THE COURT:

Well, as said on frequent occasion during the course of the trial the crucial question of fact in this case is whether or not Lyle Shabram did in fact employ a method which involved the application of polyethylene material to a heated die with the paper backing as described.

The prime source of testimony in this regard is to be found in Mr. Shabram's testimony. It is corroborated in substantial part by testimony given by witnesses who were less closely connected with the development of the machine which he described. A consideration of the Shabram testimony necessarily requires a finding that there are inconsistencies in his testimony, as well as inconsistencies between the testimony given and testimony given in the course of deposition and by affidavit prior to trial.

However, I find that taken as a whole those inconsistencies do not involve such material parts of the case as to require rejection of the material parts of his testimony.

There are inconsistencies in the testimony of other witnesses to some degree, but again, not with regard to the material issues involved in the action.

As a matter of fact, with a number of witnesses involved I would regard complete consistency as a basis for suspect or suspicion. Taken as a whole I think that the testimony of the witnesses and the documentary material produced requires a finding that the Shabram machine described during the course of the trial as the steel machine was in fact in commercial use sometime in November or early December of 1956.

It's my opinion that the record in the action establishes public use of the Gerard method before June 2nd, 1957, and as indicated, probably as early as the first part of November or, at least, the first part of December, 1956. Evidence in support of this conclusion is found to be not only clear and convincing, but beyond reasonable doubt.

Under the circumstances, defendant's claim of public use more than 12 months prior to the Gerard patent application must be sustained.

An appropriate form of order together with proposed findings of fact and conclusions of law will be submitted by the defendant in accordance with the district rule.

Dated: February 28, 1968.

APPENDIX C

RELEVANT PORTIONS OF STATUTES

Title 35 United States Code:

§ 102. Conditions for patentability; novelty and loss of right to patent

A person shall be entitled to a patent unless—

* * *

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of the application for patent in the United States, or

§ 281. Remedy for infringement of patent

A patentee shall have remedy by civil action for infringement of his patent.

§ 282. Presumption of validity; defenses

A patent shall be presumed valid. Each claim of a patent (whether in independent or dependent form) shall be presumed valid independently of the validity of other claims; dependent claims shall be presumed valid even though dependent upon an invalid claim. The burden of establishing invalidity of a patent or any claim thereof shall rest on the party asserting it.

The following shall be defenses in any action involving the validity or infringement of a patent and shall be pleaded:

* * *

(2) Invalidity of the patent or any claim in suit on any ground specified in part II of this title as a condition for patentability,

LIBRARY
SUPREME COURT, U. S.

Supreme Court, U.S.
FILED
APR 1 1971
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1439

ETHICON, INC.,

Petitioner,

v.

HANDGARDS, INC., ET AL.,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

A. DONHAM OWEN
OWEN, WICKERSHAM & ERICKSON
Suite 1200
310 Sansome Street
San Francisco, California 94104
Telephone: (415) 781-6361

Of Counsel:
WM. W. RYMER
STEPHEN B. PERLMAN
FISH & RICHARDSON
Suite 2100
28 State Street
Boston, Massachusetts 02109

PRESS OF GEORGE H. DEAN CO., BOSTON

TABLE OF CONTENTS

	Page
REASONS FOR DENIAL	1
I. The Rule of This Court's Decisions	1
II. Courts of Appeals Not in Conflict	3
III. Asserted "Question" Not Presented	5
CONCLUSION	6

TABLE OF AUTHORITIES

Cases

PAGE

A. J. Industries, Inc. v. *Dayton Steel Foundry Corp.*, 394 F.2d 357 (6 Cir. 1962) 4

Atlas v. *Eastern Airlines, Incorporated*, 311 F.2d 156 (1 Cir. 1962), cert. den'd 373 U.S. 904 5

The Barbed Wire Patent, 143 U.S. 275 (1892) 1, 2, 3, 4

Block v. *Nathan Anklet Support Co.*, 9 F.2d 311 (2 Cir. 1925) 5

Devex Corporation v. *General Motors Corporation*, 321 F.2d 234 (7 Cir. 1963), cert. den'd 375 U.S. 971 4

Eibel Co. v. *Paper Co.*, 261 U.S. 45 (1923) 2, 4, 5

Insul-Wool Insulation Corp. v. *Home Insulation*, 176 F.2d 502 (10 Cir. 1949) 4

Jones Knitting Corporation v. *Morgan*, 361 F.2d 451 (3 Cir. 1966) 4

McGraw-Edison Co. v. *Central Transformer Corp.*, 308 F.2d 70 (8 Cir. 1962) 4

Radio Corp. v. *Radio Laboratories*, 293 U.S. 1 (1934) 2, 3, 4, 5

Rokap Corporation v. *Lamm*, 10 F.Supp. 219 (D.Md. 1935) 4

Rokap Corporation v. *Lamm*, 85 F.2d 873 (4 Cir. 1936) 4

Rooted Hair, Inc. v. *Ideal Toy Corp.*, 329 F.2d 761 (2 Cir. 1964) 4

Smith v. *Hall*, 301 U.S. 216 (1937) 3, 5

Stamicarbon, N.V. v. *Escambia Chemical Corporation*, 430 F.2d 920 (5 Cir. 1970), cert. den'd 400 U.S. 944 4

Tucker Aluminum Products, Inc. v. *Grossman*, 312 F.2d 293 (9 Cir. 1963) 3, 4, 6

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1439

ETHICON, INC.,

Petitioner,

v.

HANDGARDS, INC., ET AL.,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

The petition should be denied. The asserted "Question Presented" (Pet. 2) is not in fact presented, there is no conflict with any decision of another Court of Appeals or applicable decision of this Court, and there is no special or important reason whatever for granting the petition.

REASONS FOR DENIAL

I. THE RULE OF THIS COURT'S DECISIONS

Petitioner misconceives the thrust of this Court's decisions.

While an introductory general comment did assert in *The Barbed Wire Patent,* 143 U.S. 275, 284 (1892) that "courts . . . have required that the proof shall be clear, satisfactory and beyond a reasonable doubt", this Court

went on (143 U.S. 275, 285-292) to make clear that the facts did not raise a "beyond a reasonable doubt" issue, and that the Court was not applying that standard.[1]

Then, in *Eibel Co.* v. *Paper Co.*, 261 U.S. 45, 60 (1923) [2], this Court specifically stated as the "rule that evidence to prove prior discovery must be *clear and satisfactory*".[3] Significantly, not only is this language harmonious with the standard in fact applied in *Barbed Wire*, but this Court cited immediately after the just-quoted language the very page of *Barbed Wire* which had included the "reasonable doubt" language.

Then came *Radio Corp.* v. *Radio Laboratories*, 293 U.S. 1 (1934), in which this Court after specifically observing that "[s]ometimes" "reasonable doubt" language has been used (293 U.S. 1, 7, citing inter alia *Barbed Wire*) said (Id. 8):

> "The context suggests that in these and like phrases the courts were not defining a standard in terms of scientific accuracy or literal precision, but were offering counsel and suggestion to guide the course of judgment. Through all the verbal variances, however, there runs this common core of thought and truth, that one otherwise an infringer who assails the validity of a patent fair upon its face

---

[1] With respect to five different asserted prior uses, the Court said respectively that "we are far from being satisfied" that the first was of even approximately the same construction (143 U.S. 275, 289); that the weight of the evidence was actually against the second (Id. 289-290); that the evidence as to the third was "unworthy of belief" (Id. 290); that there was "conclusive answer" to evidence on the fourth (Id. 291); and that evidence as to the fifth was "improbable" (Id. 291) and did not "satisfy" (Id. 292). Of further yet different alleged prior uses, the Court said (Id. 292): "We are not satisfied. . . ."

[2] Not cited by petitioner.

[3] Emphasis ours throughout.

bears a heavy burden of persuasion, and fails unless his evidence has *more than a dubious preponderance.*"[4]

Plainly, even if (as it did not) *Barbed Wire* had made "reasonable doubt" a meaningful separate touchstone for prior use standard of proof, this Court has long since made it clear that it is not now one.

II. COURTS OF APPEALS NOT IN CONFLICT

Petitioner says that every Court of Appeals but that for the Ninth Circuit follows what petitioner chooses still to call "the rule of *The Barbed Wire Patent*"[5] (Pet. 7). If by that petitioner means the rule as clarified in *Radio Corp.*, the Ninth Circuit follows it too. If it means something more stringent than *Radio Corp.*, no more do other Courts of Appeal follow it, as how could they properly in view of *Radio Corp.*?

Petitioner finally explicitly traces the Ninth Circuit's "present defection" (Pet. 7) to *Tucker Aluminum Products, Inc.* v. *Grossman*, 312 F.2d 293, 294 (9 Cir. 1963)[6]:

> "We think the burden is successfully borne where there exists 'substantial evidence', which is *'clear and satisfactory'* although a defendant need not prove this defense 'beyond a reasonable doubt'."

---

[4] Accord, using the "heavy burden of persuasion" verbal standard and citing *Radio Corp.* "and cases cited" therein, *Smith* v. *Hall*, 301 U.S. 216, 233 (1937).

[5] This characterization of the rule would seem misleading in emphasis, after *Radio Corp.* at least, as this Court's approach to citation in *Smith* (footnote 4, supra) confirms.

[6] One might think petitioner's "the singular exception of the Ninth Circuit's present defection" (Pet. 7) to refer only to the action at bar, were not *Tucker* excluded from the footnote listing decisions (Pet. 7-8), and were it not for what is later said of *Tucker* (Pet. 9-11).

This language, precisely that of *Eibel* (supra 2), was wholly harmonious with *Barbed Wire* as restated by *Radio Corp.* (as well as with *Barbed Wire's* facts and real approach, as already seen). Petitioner wrongly characterizes it as representing a "substantive change" (Pet. 10).

To the same substantial effect as *Tucker* (and this Court's decisions) are, not surprisingly, the decisions generally, including some cited in petitioner's long footnote (Pet. 7-8) [7] and others there ignored.[8] When the old introductory *Barbed Wire* language has crept in, typically almost in passing, there is (again, not surprisingly in view

---

[7] In *Jones Knitting Corporation* v. *Morgan*, 361 F.2d 451, 455 (3 Cir. 1966), after referring to *Barbed Wire*, the Court quoted from "a more recent reappraisal" (i.e., *Radio Corp.*). In *Devex Corporation* v. *General Motors Corporation*, 321 F.2d 234, 239 (7 Cir. 1963), cert. den'd 375 U.S. 971, the standard enunciated was "clear and convincing".

[8] *Rooted Hair, Inc.* v. *Ideal Toy Corp.*, 329 F.2d 761, 765 (2 Cir. 1964: "heavy burden of proof . . . with clear and convincing evidence"), cert. den'd 379 U.S. 831; *Rokap Corporation* v. *Lamm*, 85 F.2d 873, 874 (4 Cir. 1936: approving in a short opinion the District Court's handling of the public use issue; the District Court's verbal standard had been "clear and satisfactory, and convincing", *Rokap Corporation* v. *Lamm*, 10 F.Supp. 219, 224, D.Md. 1935); *Stamicarbon, N.V.* v. *Escambia Chemical Corporation*, 430 F.2d 920, 924, 925 (5 Cir. 1970), cert. den'd 400 U.S. 944: "clear and convincing"; "Justice Cardozo thus recognized [in *Radio Corp.*] that in patent cases, at least, there is not such a great trichotomy among these three denominations for the standard of proof in this aspect of a patent case as there may be in other fields of the law."); *A. J. Industries, Inc.* v. *Dayton Steel Foundry Company*, 394 F.2d 357, 361 (6 Cir. 1968: "strong, clear and convincing"); *McGraw-Edison Co.* v. *Central Transformer Corp.*, 308 F2d 70, 78, (8 Cir. 1962: "clear, convincing and satisfactory evidence and by more than a mere preponderance"); *Insul-Wool Insulation Corp.* v. *Home Insulation*, 176 F.2d 502, 505 (10 Cir. 1949: "more than a dubious preponderance — . . . strong, clear and convincing").

of *Eibel, Radio Corp.*, and *Smith*) no indication that the precise issue here involved, and the later authorities bearing on it, were recognized and considered.[9]

III. ASSERTED "QUESTION" NOT PRESENTED

Even assuming (arguendo only) that this Court's later decisions left for "reasonable doubt" in a patent defense context meaningfulness over and beyond "clear and satisfactory" or "clear and convincing" or "more than a dubious preponderance", this petition cannot really present the asserted question (Pet. 2).

The District Court, upon the testimony "of a number of witnesses" (Pet. 15), including corroborating witnesses (Pet. 14), supported by "documentary evidence" (Pet. 15), found that invalidating prior use had been proven, saying (Pet. 15):

> "Evidence in support of this conclusion is found to be *not only clear and convincing, but beyond reasonable doubt.*"

It was in this context that the Court of Appeals said that "we have a case that could have been decided either way" (Pet. 13).

Petitioner reads the latter language as "equivocal" (Pet. 2), going so far as to say it "must be concluded that the Court waived defendant's statutory burden" of proof of its defense and shifted the burden to plaintiff (Pet. 11). This is plainly fanciful. To attribute to an experienced Court of Appeals violation of a rule every law school freshman knows, that the burden of proof of defense lies with defendants, would be extreme in any event. Here, it is plain in

---

[9] E.g., *Atlas* v. *Eastern Airlines, Incorporated*, 311 F.2d 156, 160 (1 Cir. 1962), cert. den'd 373 U.S. 904; *Block* v. *Nathan Anklet Support Co.*, 9 F.2d 311, 313 (2 Cir. 1925).

context what the Court of Appeals meant — simply that the District Court's finding (then applied in conjunction with the applicable law) was not clearly erroneous (F.R.Civ. P. 52 (a)). So far as appears in the present case, the Court of Appeals was willing to assume as the District Court may have that that applicable law included continued special meaning for "reasonable doubt", an approach giving petitioner more than it was entitled to. There is certainly no indication it was applying a standard less than that of *Tucker Aluminum Products, Inc.* v. *Grossman,* 312 F.2d 293, 294 (9 Cir. 1963), which was before it and which is absolutely harmonious with the applicable decisions of this Court and other Courts of Appeals. To read the language of the Court of Appeals as altogether shifting the burden of proof only illustrates how petitioner strains to seek a petitionable question.

CONCLUSION

Certiorari should be denied for the foregoing reasons.

Respectfully submitted,

A. Donham Owen
Owen, Wickersham & Erickson
Suite 1200
310 Sansome Street
San Francisco, California 94104
Telephone: (415) 781-6361

Of Counsel:
Wm. W. Rymer
Stephen B. Perlman
Fish & Richardson
Suite 2100
28 State Street
Boston, Massachusetts 02109

LIBRARY
SUPREME COURT, U. S.

Supreme Court, U.S.
FILED
APR 14 1971
E. ROBERT SEAVER, CLERK

No. 1439

In the
Supreme Court of the United States
October Term, 1970

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

REPLY TO THE BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

Sidney Neuman
Robert L. Austin
Charles A. Laff
Harry J. Roper
77 West Washington Street
Chicago, Illinois 60602
Attorneys for Ethicon, Inc.,
Petitioner

The Scheffer Press, Inc.—ANdover 3-6850

INDEX

PAGE

AUTHORITIES CITED

Baumgartner v. United States, 322 U.S. 665 (1944) .. 2

Blonder-Tongue Laboratories, Inc. v. University of Illinois Foundation and JFD Electronics Corporation, Petition No. 338 3

Graham v. John Deere Co., 383 U.S. 1 (1966) 3

Jones Knitting Corporation v. Morgan, 361 F.2d 451 (3 Cir. 1966) 2

Soccodato v. Dulles, 226 F.2d 243 (D.C. Cir. 1955) .. 2

Triplett v. Lowell, 297 U.S. 638 (1936) 3

Tucker Aluminum Products, Inc. v. Grossman, 312 F.2d 293 (9 Cir. 1963) 1

35 U.S.C. § 102 3
§ 103 3

Rule 52(a), F.R.C.P. 2

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1970

No. 1439

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

REPLY TO THE BRIEF IN OPPOSITION TO PETITION FOR CERTIORARI

Handgards opposes the petition for certiorari on the fallacious premise that the Ninth Circuit Court of Appeals applied this Court's strict standard of proof not only in *Tucker Aluminum Products, Inc.* v. *Grossman,* 312 F.2d 293 (9 Cir. 1963), but in the case here before the Court.

The cases show, on the contrary, that the Ninth Circuit departed radically from the rule of *The Barbed Wire Patent* and cut itself off from the other Circuits when it drove a wedge between "clear and satisfactory" and "beyond a reasonable doubt" in *Tucker.* The decisions following *Tucker* in the Ninth Circuit conclusively demonstrate the substantive effect of change (Pet. p. 10).

We need only add in this reply that Handgards' view of the Court of Appeals decision here is as mistaken as its view of *Tucker*. Handgards contends that the Court of Appeals implicitly adopted the trial court's statement that the proofs were beyond a reasonable doubt when it said the findings were not "clearly erroneous." But that cannot be accurate because the "clearly erroneous" criterion of Rule 52(a) applies only to fact findings; the issue of whether the evidence met the correct evidentiary standard is an issue of law which must be reviewed by the appellate court (*Baumgartner* v. *United States,* 322 U.S. 665, 671 (1944)).

Properly read, the Court of Appeals decision simply required that the defendant's proofs present a case which "could have been decided either way." Having found that the proofs met that requirement, the Court of Appeals accepted the trial court's findings as not clearly erroneous. In so doing, the Court abdicated its responsibility to review the findings in relation to the heavy burden of proof and thereby adopted an approach which is fundamentally inconsistent with *The Barbed Wire Patent* rule. (Compare *Jones Knitting Corporation* v. *Morgan,* 361 F.2d 451 (3 Cir. 1966), where the Court said (at page 455), "this court is under a duty to scrutinize it [the evidence] very carefully." See also, *Soccodato* v. *Dulles,* 226 F.2d 243 (D.C. Cir. 1955).)

The fundamental conflict in this important area of patent law is precisely the kind of unhealthy nonuniformity which generates multiple patent suits. This Court is now considering the question of whether relitigation in the patent field should be curtailed by abandoning the

rule of *Triplett* v. *Lowell,* 297 U.S. 638 (1936),* but a departure from the *Triplett* rule is even more reason for uniformity in the law of patent defenses. The Court has laid down uniform rules for determining patentability under 35 U.S.C. § 103 in *Graham* v. *John Deere Co.,* 383 U.S. 1 (1966). The public use defense under 35 U.S.C. § 102 requires the same thorough review here.

Respectfully submitted,

SIDNEY NEUMAN
ROBERT L. AUSTIN
CHARLES A. LAFF
HARRY J. ROPER
77 West Washington Street
Chicago, Illinois 60602
Attorneys for Ethicon, Inc.,
Petitioner

---

* *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation and JFD Electronics Corporation,* Petition No. 338. The rule of *Triplett* simply stated is that *res judicata* considerations cannot apply where the parties in the two suits are different.

Supreme Court, U.S.
FILED
MAY 18 1971
ROBERT SEAVER, CLERK

No. 1439

In the
Supreme Court of the United States
OCTOBER TERM, 1970

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

SIDNEY NEUMAN
ROBERT L. AUSTIN
CHARLES A. LAFF
HARRY J. ROPER
77 West Washington Street
Chicago, Illinois 60602
Attorneys for Ethicon, Inc.
Petitioner

The Scheffer Press, Inc.—ANdover 3-6850

IN THE

SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1970

No. 1439

ETHICON, INC.,

Petitioner,

vs.

HANDGARDS, INC., ET AL.,

Respondents.

PETITION FOR REHEARING OF ORDER DENYING PETITION FOR WRIT OF CERTIORARI

ETHICON, INC. prays that this Court grant rehearing of its order of April 26, 1971, denying the petition for writ of certiorari, ... U.S. ....., and that a writ of certiorari issue to review the judgment of the Court of Appeals for the Ninth Circuit in the above-entitled case as prayed for in the petition filed March 5, 1971, herein.

REASONS FOR GRANTING REHEARING AND ISSUING THE WRIT

On May 3, 1971, after denying Ethicon's petition for certiorari, this Court announced its unanimous decision in *Blonder-Tongue Laboratories, Inc.* v. *University of Illinois Foundation et al.*, ... U.S. ..... The decision provides additional reasons for granting Ethicon's petition.

1. In *Blonder-Tongue,* the Court held that a decision finding a patent invalid can, in certain circumstances, provide an estoppel in subsequent suits on the same patent against different defendants. The Court implicitly recognized, however, that the newly created estoppel requires an atmosphere of uniform federal law. Thus, the Court says the estoppel can apply only where the two suits involve the "identical question" (Slip Op. 20). The identical question requirement precludes estoppel where a conflict in law produces different legal questions in the first and second cases. Additionally, before the estoppel can be applied in the second suit, the Court must consider whether the patentee was prejudiced by not choosing his forum in the first suit (Slip Op. 19, 20), presumably because different forums may apply different legal standards.

Because the fundamental rule of law followed by the Ninth Circuit in public use cases is directly contrary to the rule followed in the other circuits, as fully discussed in the petition, the Ninth Circuit's decisions on public use will consequently have an estoppel effect limited to the Ninth Circuit. This obviously undesirable result can be prevented only by this Court resolving the conflict between circuits.

2. A court applying *Blonder-Tongue* to determine the estoppel effect of a prior decision of obviousness must ask "whether the first validity determination purported to employ the standards announced in *Graham* v. *John Deere Co.,* 383 U.S. 1 (1966)" (Slip Op. 20). Correlatively, in a public use case, under 35 U.S.C. § 102(b), the appropriate inquiry would be whether the first Court applied the standards of this Court's decision in *The Barbed Wire Patent,* 143 U.S. 275 (1892). As we have shown in the petition and reply, the Ninth Circuit does not apply the

standards of that case and its decisions, therefore, will not carry the estoppel effect which the supporting policies for *Blonder-Tongue* demand of all decisions in patent cases. Only this Court can remedy the situation by reviewing the unique standards applied in the Ninth Circuit.

CONCLUSION

For the reasons set forth above and in the petition for writ of certiorari, it is respectfully urged that rehearing be granted and that, upon such rehearing, a writ of certiorari issue to the Court of Appeals for the Ninth Circuit.

Respectfully submitted,

SIDNEY NEUMAN
ROBERT L. AUSTIN
CHARLES A. LAFF
HARRY J. ROPER
77 West Washington Street
Chicago, Illinois 60602
Attorneys for Ethicon, Inc.
Petitioner

CERTIFICATE OF COUNSEL

I hereby certify that the foregoing petition for rehearing is presented in good faith and not for delay and is restricted to grounds specified in Rule 58(2) of the rules of this Court.

SIDNEY NEUMAN
Counsel for Petitioner